THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH) : (a) Government shared with U.S. Secretary of Defence its information and assessment on all parameters of cross-border terrorism, including the terrorist camps and infrastructure in Pakistan and Pakistan-occupied Kashmir, the strength of these camps and trends in infiltration of terrorists into Jammu and Kashmir. Government reiterated its proposal for joint patrolling with Pakistan along the Line of Control and International Border.

(b) No decisions were taken during the talks.

(c) Steps taken by the Govenment to check infiltration and fight terrorists in Jammu and Kashmir, as also to create a peaceful atmosphere for free and fair elections in Jammu and Kashmir, will continue to be in place. Government has also conveyed to the international community its determination to prevent Pakistan from disrupting the election process through violence and intimidation.

Foreign Minister's visit to Sri Lanka

1681. SHRI KALRAJ MISHRA: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether he has recently paid a visit to Sri Lanka and held discussions with his counterpart on several important issues;

(b) if so, the details thereof;

(c) whether Government have agreed to extend any help to Sri Lanka in various fields; and

(d) if so, the details thereof and to what extent relations between both the countries have been strengthened?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH) : (a) Yes, Sir. Minister of External Affairs (EAM) visited Sri Lanka on July 11-12, 2002. He held wide ranging discussions with the Prime Minister and the Foreign Minister of Sri Lanka. He also called on the President of Sri Lanka.

(b) During discussions, EAM reiterated India's commitment to the unity, sovereignty and territorial integrity of Sri Lanka and to the restoration of a lasting peace through a peaceful, negotiated settlement meeting the

just aspirations of all elements of Sri Lankan society. He reaffirmed India's support to the measures taken by the Sri Lankan Government for the peace process.

The two sides agreed that global terrorism is a threat to international peace and security that cannot be justified on any grounds, whether political, ethnic, religious, social or economic and stressed their commitment to support all global initiatives to eradicated this evil phenomenon.

In the realm of economic relations, the Foreign Ministers discussed the progress made in the expeditious resolution of outstanding issues relating to tea, garments and cement under the Free Trade Agreement (FTA) at the recent meeting of senior officials held in Colombo, July 4-5, 2002. They agreed that more needs to be done to exploit the vast potential that exist for enlarging economic co-operation beyond the FTA.

(c) Yes, Sir.

(d) Government of India extends assistance to Government of Sri Lanka in various areas. During his visit EAM announced (i) that the previously agreed softening of terms applicable to the second and third tranches of the Line of Credit of US$100 million extended to Sri Lanka would also apply to the unutilised portion of the first tranche i.e. 15 years repayment period at fixed LIBOR with 5 years grace period; and (ii) GOI's contribution of US$ 7.5 million to set up an India Cancer Centre in Colombo.

Government of Inida has also provided two other concessionary packages to the Sri Lankan Government. (i) a Programme Loan of US$ 20 million to support the balance of payments requirements of Sri lanka as part its agreement with the International Monetary Fund for a Stand by credit arrangement. The Programme Loan is provided at a concessionary rate of interest at fixed LIBOR with a repayment period of 9 years commencing from 2005 and (ii) an agreement for concessionary credit of US$ 31 million for importing 300,000 MT of wheat grains to Sri Lanka over a period of 20 months at the rate of approximately 15,000 MT per month. The credit has been extended at a concessionary rate of interest at fixed LIBOR with a repayment period of 15 years with a grace period of 5 years.

The Government of Sri Lanka appreciated that EAM included Sri Lanka in his first tour abroad immediately after assuming his present responsibilities. It reflected the high priority that both Governments attach to close and friendly ties based on mutual trust and understanding.